

FAQs ABOUT CITY REFERENDUM ORDINANCE

1. Will the Charter Change increase my taxes?

No. This Change allows the City to keep more of the annual payments in lieu of taxes (“PILOTs”) paid by MLGW each year to be used for services that would otherwise be paid for by the City’s general fund.

2. Will the Charter Change increase my MLGW bill?

No. The maximum amount that MLGW can pay in PILOTs each year is determined by state law and by agreements with TVA. The Charter Change cannot increase this maximum. However, the Charter Change does give the City Council the flexibility to use the increased allocation to the City for MLGW rate reduction, as it did last year.

3. How will the Charter Change impact Memphis taxpayers?

If the Charter amendment referendum passes, the City will retain its \$5 million larger portion of the total MLGW PILOT payment each year to reimburse the City for services it provides to MLGW, which are now being paid by City taxpayers. Such services include, for example, repairing and paving streets each year, deploying more fire and police officers, and managing traffic disruptions.

4. Based on what facts and data was this Charter provision designed?

The City owns MLGW and provides fiscal oversight of its affairs. Substantially all of MLGW’s gas and electric utility assets are located in the City, i.e. 82% of Gas assets as compared to 10% in the six towns and 8% in unincorporated Shelby County; 72.8% of all electric assets are located in the City as compared with 12.6% in the six towns and 14.6% in unincorporated Shelby County. The City’s taxpayers bear 100% of the cost of providing services for the assets within the City without any contribution from any of the six towns or Shelby County.

5. If the Charter Amendment does not pass how will Memphis be affected?

The City’s Finance Director estimates that the revenue lost if the amendment does not pass will be approximately \$5 million annually.

6. Who can vote on the Referendum Charter Change?

Only Memphis voters can vote on this Charter Amendment.

7. Where is the Referendum Question Located on the ballot?

By statute, Referendum questions are located on the last page of the ballot.